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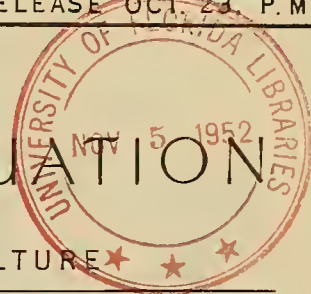
THE

Tobacco

U.S. DEPOSITORY

SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE



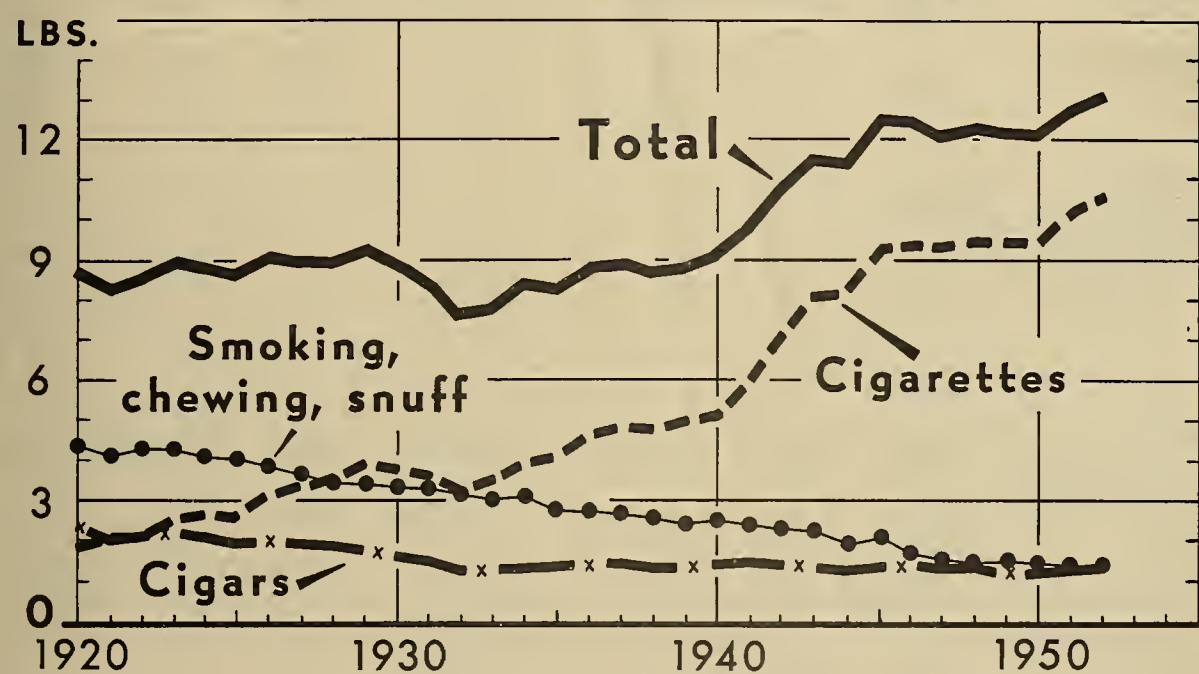
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BAE

OCTOBER 1952

TOBACCO CONSUMPTION

Per Capita, 15 Years Old and Over



UNSTEMMED PROCESSING-WEIGHT EQUIVALENT CONSUMED IN UNITED STATES AND BY OVERSEAS FORCES

U. S. DEPARTMENT OF AGRICULTURE

NEG. 48831-XX BUREAU OF AGRICULTURAL ECONOMICS

In 1952 tobacco consumption per person 15 years and over (in the United States and by overseas forces) was the highest on record. Cigarettes accounted for four-fifths of the total. The daily average in 1952 was at a record rate of about 10 per day per person, more than twice as much as in the late 1930's. Cigarette consumption is expected to continue at a record or near-record level in 1953.

The 1952 cigar consumption per person is estimated as being the highest in 4 years. Some further

small gain may occur in 1953. However, during the past 3 decades, cigar consumption has not kept pace with the population growth.

The consumption of smoking tobacco, chewing tobacco, and snuff combined per person has been trending downward for many years and is estimated to be the lowest on record this year. Snuff consumption has been more stable than the other two categories. A further downward drift in the per capita consumption of these products seems likely in 1953.

STATISTICAL SUMMARY

Item	Unit or base period	1951				1952				Last data available as per- centage of a year earlier
		June	July	Aug.	Sept.	June	July	Aug.	Sept.	
Average prices at auctions										
Flue-cured	Cents per lb.	Closed	51.0	48.8	51.8	Closed	52.5	50.4	50.7	98
Burley	Cents per lb.		C - 1 - o - s - e - d				C - 1 - o - s - e - d			
Maryland	Cents per lb.	49.4	48.3	41.3	Closed	43.5	46.9	43.9	Closed	106
Fire-cured	Cents per lb.		C - 1 - o - s - e - d				C - 1 - o - s - e - d			
Dark air-cured (35-36)	Cents per lb.		C - 1 - o - s - e - d				C - 1 - o - s - e - d			
Virginia sun-cured (37)	Cents per lb.		C - 1 - o - s - e - d				C - 1 - o - s - e - d			
Parity prices										
Flue-cured	Cents per lb.	56.3	56.1	56.1	56.1	55.8	55.8	56.0	55.4	99
Burley	Cents per lb.	55.5	55.3	55.3	55.3	54.6	54.6	54.8	54.2	98
Maryland	Cents per lb.	60.8	60.6	60.6	60.6	58.9	58.9	59.1	58.5	97
Fire-cured	Cents per lb.	33.7	33.6	33.6	33.6	34.6	34.6	34.7	34.4	102
Dark air-cured (35-36)	Cents per lb.	29.7	29.6	29.6	29.6	30.3	30.3	30.4	30.1	102
Virginia sun-cured (37)	Cents per lb.	37.6	37.5	37.5	37.5	37.5	37.5	37.6	37.2	99
Parity index 1/	1910-14=100	282	282	282	282	286	286	287	284	101
Tax-paid withdrawals										
Cigarettes, small	Billion	32	30	37	31	36	34	36		97
Cigars, large	Million	503	422	534	491	496	504	485		91
Chewing and smoking	Mil. lb.	16	12	19	17	15	14	15		79
Snuff	Mil. lb.	3.1	4.0	2.1	2.9	3.1	2.1	3.5		167
Accumulated from Jan. 1										
Cigarettes, small	Billion	187	217	254	285	192	226	262		103
Cigars, large	Million	2,775	3,197	3,730	4,221	2,904	3,408	3,894		104
Chewing and smoking	Mil. lb.	93	105	124	141	89	103	118		95
Snuff	Mil. lb.	20	24	26	29	20	22	26		100
Tax-free removals										
Cigarettes, small	Billion	3	2	3	3	2	3	4		133
Cigars, large	Million	6	5	6	5	4	4	12		200
Chewing and smoking	Mil. lb.	.5	.4	.5	.5	.5	.3	.4		80
Accumulated from Jan. 1										
Cigarettes, small	Billion	20	22	25	28	19	22	26		104
Cigars, large	Million	42	48	54	59	45	49	60		111
Chewing and smoking	Mil. lb.	3.4	3.8	4.3	4.8	3.1	3.4	3.8		88
Personal income 2/	Bil. dol.	254	254	257	257	267	264	267		104
Index of industrial production 3/										
	1935-39=100	221	212	217	218	204	193	215		99
Employment	Million	61.8	62.5	62.6	61.6	62.6	62.2	62.4	62.3	101
Pct. labor force employed	Percent	96.9	97.1	97.5	97.5	97.2	97.0	97.5	97.7	100
Exports (farm-sales wt.)										
Flue-cured	Mil. lb.	19.1	22.9	48.0	75.2	25.4	22.7	32.2		67
Burley	Mil. lb.	2.1	.8	2.7	2.1	1.5	3.6	3.8		141
Maryland	Mil. lb.	1.3	.2	.5	.7	.3	.6	.2		40
Fire-cured	Mil. lb.	4.7	2.2	1.2	2.8	2.4	1.4	1.8		150
Dark air-cured	Mil. lb.	1.9	.4	.7	2.0	.9	.2	.5		71
Cigar	Mil. lb.	.7	.5	.9	.9	.3	.5	.8		89
Accumulated from begin- ning of marketing yr. 4/										
Flue-cured	Mil. lb.	427.7	22.9	70.9	146.0	502.0	22.7	54.9		77
Burley	Mil. lb.	24.4	25.2	27.9	30.0	19.9	23.5	27.2		97
Maryland	Mil. lb.	7.0	7.2	7.7	8.4	4.7	5.3	5.5		71
Fire-cured	Mil. lb.	33.7	35.9	37.0	39.8	22.6	24.0	25.9		70
Dark air-cured	Mil. lb.	7.1	7.5	8.3	10.3	7.1	7.3	7.9		95
Cigar filler and binder	Mil. lb.	2.3	2.9	3.4	3.7	2.5	2.7	3.3		97
Cigar wrapper	Mil. lb.	3.2	.2	.6	1.2	3.6	.3	.6		100
U.S. imports, all commodities										
Accumulated from Jan. 1	Mil. dol.	5,791	6,678	7,571	8,317	5,423	6,259	7,074		93
Sterling area gold and dollar reserves 5/	Mil. dol.	3,867			3,269	1,685	1,716	1,672	1,685	52
Stocks of domestic types (farm-sales weight) 6/										
Flue-cured	Mil. lb.		1,558				1,731			111
Burley	Mil. lb.		1,120				1,205			108
Maryland	Mil. lb.		52				64			123
Fire-cured	Mil. lb.		160				160			100
Dark air-cured	Mil. lb.		80				80			100
Cigar, filler	Mil. lb.		227				218			96
Cigar, binder	Mil. lb.		157				147			94
Cigar, wrapper	Mil. lb.		20				21			105

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Annual rate, seasonally adjusted. 3/ Adjusted for seasonal variation. 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board October 16, 1952

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SUMMARY

The domestic demand for most leaf tobacco--principally the cigarette types--is expected to continue strong in 1953. Export demand has been weaker this year than last because of the limited dollar exchange available to foreign purchasers, but it may be firmer in 1953 since the economic positions of some major importing countries have improved.

The large requirements of cigarette manufacturers will tend to maintain domestic demand for flue-cured and Burley. Cigarette output in the United States in 1953 is expected to go above the record 430 billion estimated for 1952. This year's estimated total is approximately 3 percent above 1951 and almost 10 percent above 1950. About nine-tenths of the total output is consumed in the United States. With prospects that employment and consumer income will continue high and that there will be more smokers, domestic consumption probably will continue to gain. Shipments to overseas forces seem likely to continue relatively large and cigarette exports to foreign countries probably will remain fairly stable.

Cigar consumption in the United States and by overseas forces in 1952 is estimated at near 6 billion--about 4 percent more than in 1951. This figure has been reached in only 3 other years since 1930. A further relatively small gain may occur in 1953.

The 1952 output of smoking tobacco, estimated at 97 million pounds, is about 4 percent below last year's and 10 percent less than in 1950. Production may level off in 1953.

The 1952 output of chewing tobacco is estimated at 85 1/2 million pounds--roughly 1 million pounds less than in 1951. Consumption of chewing tobacco seems likely to continue its downward drift in the years ahead.

The 1952 output of snuff is estimated at 39 million pounds--1 or 2 percent lower than in 1951. Next year's output probably will not vary much from this year's.

Smoking and chewing tobacco take a significant amount of Burley. Chewing tobacco also provides the major domestic outlet for the dark air-cured types and some grades of cigar binder tobacco. Snuff is the major domestic outlet for the fire-cured types.

Flue-cured is the dominant export tobacco, but in relation to production, significant quantities of most other types also are exported. Exports of unmanufactured tobacco from the United States in 1952 probably will approximate 520 million pounds (farm-sales weight) compared with 588 million pounds in 1951. It seems unlikely that there will be a further drop in 1953 and there may be a small gain. Export demand for tobacco will continue to be affected by the limited dollar exchange available to foreign purchasers, particularly in the United Kingdom and several other sterling area countries that usually take large quantities of flue-cured tobacco. However, the economic positions of several other countries that import United States tobacco, such as Germany, and Netherlands, have been improving during 1952. In the United Kingdom, the drain of gold and dollars has apparently been halted. The production of tobacco in several important producing countries abroad continues well above that of prewar years. Although United States tobacco is desired throughout much of the world, the competition from producing areas abroad is not likely to lessen and from those accepting currencies other than dollars, it will tend to increase.

This year's flue-cured crop, according to the October estimate, is second only to last year's record. With the July 1 carry-over above a year ago by 11 percent, the total 1952-53 supply is near 3,120 million pounds. This is about 2.5 times probable disappearance in 1952-53, the highest ratio in the last 5 years. Domestic use of flue-cured is likely to increase to a new high in 1952-53 but not enough to offset the decline in exports. Flue-cured growers have approved marketing quotas for the next 3 marketing years. With the 1953 flue-cured acreage allotment almost one-eighth smaller than this year's and with average yields, the supply-disappearance ratio is expected to be about the same next year. The 1952 crop marketings are well along and prices through October 10 averaged 50.8 cents per pound--about 2 percent lower than in the comparable period of last season. The 1952 Government price support level is 50.6 cents per pound. Through October 10, growers placed about 8-1/2 percent of their deliveries of flue-cured under Government loan. In the 1951 season as a whole, it was nearly 10 percent.

The parity prices for flue-cured and Burley in 1953 probably will be slightly lower than in 1952, since the adjusted base prices to be used in the parity calculations next year will be a little lower than those used in 1952. Government price supports are at 90 percent of parity for these types if marketing quotas are in effect. Therefore, the 1953 price supports for flue-cured and Burley (if marketing quotas are approved in the referendum and supports are available this fall), may be slightly below those for the 1952 crops. The fire-cured and dark-aircured tobacco price supports would also be down a little in 1953 since they are calculated at 75 and 66-2/3 percent of the Burley support.

According to the October estimate, Burley production is third only to last year's record harvestings. The carry-over is approximately 8 percent higher and the 1952-53 total supply of Burley will be about 1,674 million pounds--nearly 5 percent more than in 1951-52. It seems probable that carry-over on October 1, 1953, may be 6 percent above that on October 1 of this year.

An announcement of the 1953 marketing quota and allotment will be made by the Department of Agriculture in the near future. Burley growers will then vote on whether or not to continue marketing quotas in effect. Ninety-two percent majority of those voting in the referendum held in 1949 approved them for 1950, 1951, and 1952. The Burley auctions usually begin around December 1. The Government price support is 49.5 cents per pound compared with 49.8 cents last season. The 1952 crop averaged 51.2 cents per pound--the highest on record.

The total supply of fire-cured tobacco for 1952-53 is likely to be about 4 percent below the 1951-52 level. The 1952 crop is down, mostly due to smaller acreage in Kentucky, particularly of type 23. Exports of these types dropped sharply in the past year. The Government price support for the 1952 crop is 37.1 cents per pound--slightly lower than last season's.

The 1952-53 total supply of dark air-cured tobacco probably will be 2 percent below the 1951-52 level--mostly because of the reduction in this year's crop. The Government price support for the 1952 crop is 33.0 cents per pound--slightly lower than last season's.

As provided by law, growers of the Maryland, Pennsylvania Seedleaf, and the cigar filler and binder kinds of tobacco will not receive Government price support on their 1952 crops because quotas were disapproved in late 1951. The quotas and allotments applicable to the 1953 crops of these types were announced on October 1 and on October 29 growers will again vote as to whether or not they wish them to go into effect. A two-thirds majority of the growers voting is necessary to place them in effect. If quotas are in effect, Government price support at 90 percent of parity is required by law.

The total supply of Maryland tobacco for 1952-53 (this year's production plus carry-over on January 1, 1953) probably will be about 3 percent higher than the 1951-52 level. This year's crop is estimated at about 6 percent below last year's harvestings but the increase in carry-over is expected to more than offset the drop.

The 1952-53 supply of continental cigar filler is estimated at 6 percent lower than the 1951-52 level. A sharp drop in the 1952 production of Pennsylvania Seedleaf mainly accounts for the smaller 1952-53 supply. The 1952-53 total supply of the combined binder types is approximately 6 percent below the 1951-52 level--due mostly to the smaller carry-over and also this year's production.

For the shade-grown wrapper types, the increase in carry-over more than offsets the decrease in this year's crop and 1952-53 supplies are about 2 percent above the 1951-52 level.

TOBACCO PRODUCTS

Cigarettes

Cigarette output in the United States in 1953 is expected to exceed this year's record. Consumption in the United States, accounting for about nine-tenths of total output, is likely to push to a new high. There will be more smokers--reflecting the increase in the number of people of smoking age. Civilian employment and the number in military service in 1953 probably will be as high or higher than in 1952 and total disposable income will continue at a relatively high level.

It is estimated that total cigarette output for 1952 will be about 430 billion--nearly 3 percent more than in 1951 and almost 10 percent above 1950. Domestic consumption for this year probably will approximate 392 billion--over 3 percent larger than in 1951. The relative increase in domestic consumption between 1950 and 1951 was 5 percent. Cigarette prices in 1952 are about 5 percent higher than in most of 1951 because of the increase in the Federal excise that became effective November 1 of last year. Also, a few States increased their cigarette tax rates in 1951, and New York City levied a cigarette tax that has been in effect since May 1952. Consumer income (after taxes) in 1952 is expected to be about 3 percent larger than last year's. Based on the past experience in this country, cigarette demand is relatively inelastic with respect to changes in prices and incomes. Whatever the precise influences on cigarette consumption of these two variables, the increase in consumer income from 1951 to 1952 tended to largely offset the effect of the advance in cigarette prices.

Price ceilings on cigarettes are still in effect, but the Defense Production Act, under which ceilings are authorized, extends only until the end of April 1953.

In the 1952 fiscal year, the Federal taxes collected on cigarettes totaled about 1,490 million dollars--15 percent more than in the preceding year. The tax per package went from 7 to 8 cents on November 1, 1951, and thus, the higher rate was in effect during two-thirds of 1951-52. Under existing law, the 8-cent rate will continue in effect until April 1, 1954, and then will revert to 7 cents. The receipts of 41 States from State tobacco taxes (mostly on cigarettes) in fiscal 1952 were nearly 450 million dollars--4.4 percent larger than in the preceding year.

Table 1.- Cigarettes: Output, domestic consumption, and exports, for specified periods

Period	Total output	Domestic <u>1/</u> consumption	Tax-free removals <u>2/</u>	
			Total	Exports
	<u>Billion</u>	<u>Billion</u>	<u>Billion</u>	<u>Billion</u>
Average:				
1925-29	3/107.5	98.2	3/9.3	9.0
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.3
1951	418.8	379.7	38.9	16.8
1952 <u>4/</u>	430.0	392.0	38.0	16.5

1/ As indicated by tax-paid removals. 2/ In addition to exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores. 3/ Includes output in bonded factories. 4/ Estimated.

Bureau of Agricultural Economics, Compiled from reports of the United States Treasury and Commerce Departments.

Although smokers in the United States consume the preponderant share of the cigarette output of this country, substantial numbers of tax-free cigarettes are sent to the armed forces overseas or are exported to foreign countries. Smaller tax-free quantities go for sea stores or as shipments to United States possessions. In each of the 2 years following the outbreak of the Korean conflict, shipments for the use of overseas forces were about 80 percent greater than the annual rate in the pre-Korean period. Total tax-free removals in 1952 are estimated at 38 billion with about 16 billion being exported to foreign countries and the remaining 22 billion going mostly for use of overseas forces and sea stores. Exports of cigarettes in 1952 seem likely to be slightly lower than in 1951 while the remainder of the tax-free group probably will hold about even.

Cigarette exports go to a very large number of foreign countries. The 10 leading foreign outlets took about 65 percent of the total in 1951. Of these 10, Tangier, the Netherlands Antilles, France, and Panama increased their takings in the first 8 months of 1952 compared with the

same period of last year while considerably less went to the Philippine Republic, Hong Kong, British Malaya, Belgium, and Switzerland. (See table 2.) Although still among the leading destinations, the Philippine Republic has taken a much smaller number of United States cigarettes in the last 2 or 3 years than in the 1946-49 period, when she took about two-fifths of total cigarette exports. Cigarettes to Venezuela in January-August were only a little lower than in the same period of 1951.

Table 2.- Cigarette exports from the United States
to leading countries for specified periods

Country	Average	1950	1951	1951	January-August		
	1934-38	1/	1/	as per- centage of 1950	1951	1952	1952
					1/	1/	as per- centage of 1951
	Million	Million	Million	Percent	Million	Million	Percent
Tangier & Fr. Morocco	12	1,394	1,850	133	1,207	1,736	144
Venezuela	39	1,055	1,700	161	1,108	1,076	97
Philippines, Rep. of	2,544	1,526	1,214	80	839	598	71
Hong Kong	22	1,143	1,199	105	749	460	61
British Malaya	3	434	1,154	266	684	336	49
Belgium	63	950	878	92	599	438	73
Switzerland	16	513	853	166	590	482	82
Netherlands Antilles	1,221	968	769	79	505	574	114
France	307	295	739	251	517	543	105
Panama & Canal Zone	389	616	658	107	437	536	123
Other countries	154	5,414	5,806	107	3,749	4,133	110
Total all countries	4,770	14,308	16,820	118	10,984	10,912	99

1/ Preliminary.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Cigars

Cigar consumption in the United States and by overseas forces in 1952 is expected to be near 6 billion--about 4 percent more than in 1951 and perhaps the largest since 1930. Since that time, the peak years have been 1941, 1942, and 1946, in each of which total consumption was near 6 billion. In the decade ending with 1930, the low was about 6.2 billion cigars in 1930 and the high was about 7.4 billion in 1923.

Table 3.- Large cigars: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manufacturing warehouses		Imports for consumption		Shipments to United States from Puerto Rico	
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total	From Philip- : pines :	From Cuba	States from	Puerto Rico
	Million	Million	Million	Million	Million	Million	Million	Million	Million
Average:									
1925-29:	6,474	6,454	21	28	1/218.0	1/190.0	1/28.0	166.0	
1935-39:	5,075	5,060	13	66	192.4	189.2	3.0	28.8	
1940-44:	5,450	5,282	199	105	93.7	78.4	15.3	9.8	
1945	5,275	4,774	469	82	60.0	.0	59.8	96.7	
1946	5,618	5,621	26	125	22.2	2.0	20.1	69.8	
1947	5,488	5,460	41	124	12.5	3.2	9.1	7.8	
1948	5,645	5,588	38	140	11.8	1.4	10.3	4.4	
1949	5,453	5,399	46	142	10.9	.6	10.2	4.4	
1950	5,399	5,365	47	158	11.9	.7	11.1	.4	
1951	5,588	5,501	84	170	14.3	1.3	13.0	.4	
1952 1/	5,800	5,700	90	180	14.5	1.5	13.0	.4	

1/ Estimated.

Bureau of Agricultural Economics. Basic data compiled from reports of the Bureau of Internal Revenue and the United States Department of Commerce.

Some further increase in cigar consumption in 1953 seems likely. The continuation of personal income at a high level is expected to favor an additional increase. Cigar prices appear to have been stable since the suspension of price ceilings in August of this year.

Domestic factories have provided the great bulk of the cigars consumed in this country in recent years. Output from these factories in 1952 is probably the second largest since 1930. In the 1920's and 1930's, imports from the Philippines were substantial, but these have been insignificant in recent years. Also, cigar shipments from Puerto Rico were sizable in the 1920's but declined to only minor quantities during the late 1930's and 1940's except for the 1944-46 period. Shipments of cigars from Puerto Rico will become significant again when production begins in a large, new factory that is being built there. Cigars manufactured in customs bonded manufacturing warehouses in this country have climbed rather steadily over the past 25 years. These factories manufacture entirely from imported tobacco, principally from Cuba.

In the first 8 months of 1952, the number of cigars selling for from 4.1 to 6.0 cents increased 9 percent over those in the same period of 1951 and was nearly one-fourth greater than in the same period of 1950. This price group includes the cigarillos, which are smaller and thinner than regular-sized cigars. Cigars selling in the 8-to-15-cent price bracket are the largest single group--making up 44 percent of the total in 1951. The number in this price bracket in January-August of this year was indicated to be only slightly more than in the same period of 1951. During the first two-thirds of 1952, the number of cigars selling for more than 15 cents was 10 percent greater than in the comparable period of last year.

Exports of cigars are negligible but tax-free removals of cigars for overseas use have been substantially higher in the past 2 years than in the pre-Korean period.

Smoking Tobacco

The output of smoking tobacco in 1952 is expected to total about 97 million pounds, over 4 percent below last year. Domestic use in 1952 is estimated at approximately 94 million pounds and exports and overseas shipments will account for most of the remainder. The consumption of smoking tobacco is the lowest for this century. When employment and income are at high levels, there is a tendency for smokers to smoke more cigarettes and cigars but to use less tobacco in hand-rolled cigarettes and pipes. During most of the 1930's, over twice as much smoking tobacco was thus used as in the last year or two.

The 1953 output of smoking tobacco seems likely to be about as large as this year's. After the sharp drop from 1945 to 1946, smoking tobacco output and consumption held quite stable through 1950. The drop since then amounts to 10 percent and there may be a leveling off during 1953.

Exports of manufactured smoking tobacco during January-August totaled about 1.9 million pounds--about one-tenth more than in the same months of a year ago. The other tax-free categories, mainly shipments for overseas forces and sea stores were somewhat less than a year ago.

Chewing Tobacco

The 1952 output of chewing tobacco is likely to be about 85 1/2 million pounds--roughly 1 million pounds less than in 1951. Consumption of chewing tobacco seems likely to continue its gradual decline in the years ahead. From 1945 to 1949, output of chewing tobacco dropped nearly one-fourth, or an average of about 6 percent a year. Since 1949, the average rate of decline has slowed to about 1 1/2 percent a year. Each classification--plug, scrap, twist, and fine-cut--has shared in the decline since World War II. Plug, accounting for about 46 percent of total production, is more than one-third smaller this year than in 1945. Scrap output, accounting for about 45 percent of the total, is almost one-fifth smaller than in 1945.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing				Total	Snuff
		Plug	Twist	Fine-cut	Scrap		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1925-29	161.1	104.5	8.8	6.2	77.4	196.9	39.6
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952 1/	97.0	39.4	4.5	2.8	38.8	85.5	39.0

1/ Estimated.

Bureau of Agricultural Economics. Compiled from reports of the Bureau of Internal Revenue.

About 97 or 98 percent of the chewing tobacco output is used domestically. About 2 million pounds is removed tax-free and approximately two-thirds of this is exported to foreign countries.

Snuff

The 1952 output of snuff is expected to total about 39 million pounds--1 or 2 percent lower than in 1951. Next year's output probably will not vary much from this year's. Practically all of the snuff produced in the United States is consumed in this country--mainly in the South and in certain areas of the northwest. Total snuff has been highly stable for many years. In the past 30 years, annual consumption has varied from a low of 36 to a high of 41 million pounds except for the 1943-45 period, when it averaged 43 million pounds. In terms of consumption per capita, 15 years and over, snuff has dropped 32 percent in the past 30 years.

Table 5.- Tobacco products: Consumption per capita,
15 years and over, 1920-52

(Unstemmed-processing weight)								
Year	Cigarettes		Cigars		Smoking, chewing and snuff		Total tobacco products	
	In U. S.		In U. S.		In U. S.		In U. S.	
	In	and by	In	and by	In	and by	In	and by
	U. S.	overseas	U. S.	overseas	U. S.	overseas	U. S.	overseas
	forces 1/		forces 1/		forces 1/		forces 1/	
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
1920	1.89		2.45		4.33		8.67	
1921	2.08		2.00		4.14		8.22	
1922	2.15		2.16		4.28		8.59	
1923	2.51		2.21		4.26		8.98	
1924	2.70		2.07		4.06		8.83	
1925	2.63		1.99		4.04		8.66	
1926	3.17		1.99		3.88		9.04	
1927	3.42		1.94		3.60		8.96	
1928	3.58		1.91		3.44		8.93	
1929	3.91		1.86		3.44		9.21	
1930	3.84		1.67		3.34		8.85	
1931	3.63		1.53		3.29		8.45	
1932	3.21		1.24		3.19		7.64	
1933	3.49		1.23		3.07		7.79	
1934	3.95		1.29		3.10		8.34	
1935	4.11		1.30		2.80		8.21	
1936	4.61		1.40		2.81		8.82	
1937	4.81		1.40		2.74		8.95	
1938	4.76		1.31		2.68		8.75	
1939	4.94		1.32		2.56		8.82	
1940	5.13	5.17	1.36	1.36	2.60	2.60	9.09	9.13
1941	5.90	5.97	1.43	1.42	2.41	2.41	9.74	9.80
1942	6.82	7.04	1.41	1.41	2.28	2.27	10.51	10.72
1943	7.47	8.03	1.28	1.29	2.21	2.20	10.96	11.52
1944	6.93	8.10	1.20	1.23	1.99	1.97	10.12	11.30
1945	7.85	9.24	1.25	1.28	2.12	2.05	11.22	12.57
1946	8.81	9.30	1.36	1.38	1.59	1.76	11.76	12.44
1947	9.02	9.23	1.30	1.30	1.52	1.51	11.84	12.04
1948	9.20	9.46	1.32	1.32	1.47	1.47	11.99	12.25
1949	9.23	9.49	1.17	1.18	1.46	1.45	11.86	12.12
1950	9.25	9.48	1.19	1.19	1.43	1.43	11.87	12.10
1951	9.71	10.11	1.21	1.22	1.37	1.37	12.29	12.70
1952	10.04	10.53	1.27	1.27	1.32	1.32	12.63	13.12

1/ Data are not available to adjust for quantities that were lost, destroyed, bartered, etc., under war and postwar conditions, but in relation to totals, such adjustments probably would be small.

Table 6.- Tobacco products: Consumption per capita,
15 years and over, 1920-52 ^{1/}

(Index numbers--1947-49=100)

Year	Cigarettes	Cigars	Smoking	Chewing	Snuff	Total
1920	20	193	202	358	133	71
1921	22	158	201	308	129	68
1922	23	170	228	325	136	71
1923	27	174	209	325	137	74
1924	29	163	220	301	133	73
1925	28	157	216	298	126	71
1926	34	157	209	291	125	74
1927	36	153	198	272	130	74
1928	38	150	189	259	129	74
1929	42	147	186	247	125	76
1930	41	132	193	221	123	73
1931	39	120	213	193	120	70
1932	34	98	220	155	109	63
1933	37	97	218	146	108	64
1934	42	102	216	146	109	69
1935	44	102	212	143	104	68
1936	49	110	212	142	108	73
1937	51	110	202	140	104	74
1938	51	103	213	128	104	72
1939	53	104	212	121	104	73
1940	55	107	212	118	102	75
1941	64	112	200	121	106	81
1942	75	111	174	130	109	88
1943	86	102	161	137	113	95
1944	86	97	137	140	109	93
1945	98	101	164	131	112	104
1946	99	109	98	118	100	102
1947	98	102	98	104	98	99
1948	101	104	102	102	101	101
1949	101	93	101	94	101	100
1950	101	94	99	92	97	100
1951	108	96	92	89	94	105
1952	112	100	87	88	93	108

^{1/} Computed on basis of population including overseas forces beginning 1940.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco from the United States in 1952 probably will be 10 to 15 percent lower than in 1951. However, it seems likely that there will not be any further drop in 1953 and there may be some gain--although small. It is estimated that this year's total unmanufactured tobacco exports will total about 460 million pounds, declared weight (roughly 520 million, farm-sales weight), compared with the 1951 total of 522 million pounds (588 million, farm-sales weight). This year's tobacco exports will be the second smallest since World War II--the low was 427 million pounds in 1948 and the high was 663 million pounds in 1946. In the 1930's, prior to World War II, annual tobacco exports varied between 396 (1935) and 580 (1930) million pounds.

During the first 8 months of 1952, total exports were 6 percent less than in the same period of 1951. Flue-cured exports were down 2 percent and in the last third of this year, they will show a sizable drop below the same period of 1951. A much smaller volume of Kentucky-Tennessee fire-cured, the next ranking export class last year, went out in January-August 1952 than in the same period of a year earlier. The heavy Burley exports in July and August raised the total for January-August 1952 2 percent above those in the same period of 1951. Other leaf classifications which gained during January-August 1952 were Green River and cigar filler. Virginia fire-cured tobacco exports held even, but all other classifications showed a decrease.

For comparative data on exports to leading importing countries, see table 7. Especially notable in January-August 1952, are the smaller tobacco exports to the United Kingdom, Belgium, France, and Sweden and the larger exports to Germany and the Philippine Republic than in the same period of 1951. Two other major outlets, Netherlands and Ireland, also increased their takings but Australia, Denmark and Switzerland got less.

Export demand for tobacco will continue to be affected next year by the limited amount of dollar exchange available to foreign purchasers. This is particularly true with respect to the United Kingdom and other sterling area countries that usually take large quantities of United States tobacco. The United Kingdom is the leading foreign outlet (averaging 37 percent of the total in 1947-51) and Australia, India, Pakistan, New Zealand, and Ireland are other important destinations (on a combined basis, averaging 11 percent of the total in 1947-51). The United Kingdom and several other foreign governments strictly regulate the number of dollars that may be used to import tobacco. The decline of gold and dollar reserves of the United Kingdom and other countries led to stringent measures to reduce tobacco and other imports so that these reserves might be built back towards more normal levels. The United Kingdom, is, in effect, the banker for the sterling area. Gold and dollar reserves held in London, after dropping sharply during the last half of 1951 and early 1952 were prevented from declining to any appreciable extent in the 6 months ending with August. The drain appears to be halted and British authorities

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 7.- United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods

Country and type	(Declared weight)							
					January-August			
	Average	Average	1950	1951	Average	1951	1952	1952 as
	1924-28	1934-38	1/	1/	1934-38	1/	1/	percent-
								age of
								1951
	Million	Million	Million	Million	Million	Million	Million	
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	Percent
Flue-cured	2/324.0	324.9	383.9	433.8	139.4	179.0	175.8	98
Burley	8.9	11.6	37.6	25.2	8.0	16.3	16.7	102
Maryland	14.3	5.5	6.7	8.0	4.0	5.6	3.6	64
Va. sun-cured	.0	.0	.0	.0	.0	.0	.2	---
Va. fire-cured	22.6	9.7	5.8	4.5	6.3	2.5	2.5	100
Ky. & Tenn "	2/126.6	53.7	24.0	29.2	39.6	21.9	13.0	59
One Sucker	3/	.7	2.0	3.6	.4	1.6	1.0	62
Green River	15.8	3.0	1.2	1.9	2.6	1.6	2.0	125
Black Fat, etc.	2/2.0	9.0	3.6	4.9	5.9	2.8	2.3	82
Cigar	.8	1.3	7.3	6.9	.6	4.2	3.7	88
Perique	2/.1	.1	.1	.1	.1	3/	3/	---
Stems, trimmings and scrap	12.0	17.8	5.4	4.0	9.6	2.5	2.2	88
Total	527.1	437.3	477.6	522.1	216.5	238.0	223.0	94
Country of destination:								
United Kingdom	164.8	213.9	133.1	223.4	72.9	48.4	19.3	40
France	34.6	21.0	8.5	10.0	19.7	7.7	2.5	32
Belgium	21.1	15.5	27.7	29.6	9.9	16.7	9.6	57
Netherlands	31.5	15.6	32.2	24.3	9.1	19.7	22.0	112
Germany	34.0	12.8	81.8	47.7	8.0	29.1	46.2	159
Portugal	4.4	4.8	7.5	6.0	3.3	3.8	3.9	103
Denmark	5.2	4.6	14.8	9.1	2.4	6.0	4.5	75
Ireland	3.8	7.4	17.6	17.6	3.3	7.0	7.7	110
Switzerland	2.8	3.8	14.4	12.4	2.2	8.3	5.7	69
Norway	4.1	4.7	7.7	6.6	2.0	3.7	3.9	105
Sweden	4.7	7.2	13.7	15.0	2.2	8.7	4.3	49
Italy	7.8	1.1	2.6	2.2	.7	2.2	2.9	132
China	92.5	48.2	.3	.0	29.3	.0	.0	0
Australia	21.5	18.4	18.1	20.3	13.1	11.3	7.7	68
India-Pakistan	5.4	2.6	5.2	6.1	1.7	5.0	4.1	82
New Zealand	.6	2.5	6.5	7.1	1.4	4.6	4.7	102
Philippine Rep.	.5	1.2	27.1	9.5	.8	5.8	21.3	367
Other countries	87.8	52.0	58.8	75.2	34.5	50.0	52.7	105
Total	527.1	437.3	477.6	522.1	216.5	238.0	223.0	94

1/ Preliminary. 2/ Partially estimated. 3/ Less than 50,000 pounds.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

are expecting some restoration in the latter third of this year. A Conference of Commonwealth Prime Ministers has been announced for late November of this year, and it has been stated that the "whole field of economic and trade relations" including the "system of Imperial preferences" would be examined. The sterling area countries, and others as well are striving to achieve a better trade balance.

Following the outbreak of the Korean conflict, prices of many items imported by the United Kingdom increased much more than the prices of the articles she exported. The upsurge in import prices subsided and reversed in 1951 and from mid-1951 to mid-1952, the terms of trade for the United Kingdom have shown gradual improvement. Over-all indexes show that for Germany, the Benelux countries, France, Norway, Switzerland, and Sweden, the terms of trade (average value of exports divided by average value of imports) were somewhat more favorable during the first half of 1952 than during the first half of 1951.

Selling to this country is the most important means by which dollars can be acquired by foreign countries. During the first 8 months of 1952, the value of United States imports for consumption were 7 percent lower than in the same period of 1951. This was due to a decline in average import prices and also some decline in volume. In the first half of 1952, imports of raw wool and steel products were sharply lower than in the first half of 1951, but imports of lead, zinc, and tin were substantially larger and of crude rubber, moderately larger.

In 1951, stocks of United States tobacco in the United Kingdom were built up to a point appreciably higher than their average level since the end of World War II. In a number of other countries, however, stocks of United States tobacco continue to be relatively low in relation to consumption requirements. In numerous foreign countries, the importance of tobacco as a consumer item and also its importance as an effective producer of Government revenue are significant factors that should favor the continuance of imports of substantial size from the United States. Several important countries grow only a negligible quantity of tobacco and others fall considerably short of producing enough suitable tobacco to meet consumption requirements.

Among the major tobacco producing and exporting countries abroad are Turkey and Greece. The 1951 crop in Turkey is indicated to be about 195 million pounds--about 8 percent more than the preceding year's, but below the 1949 peak of 221 million. The current year's crop in Greece is likely to be somewhat smaller than in 1951 since acreage is about one-fifth less. However, stocks in Greece from previous crops are still substantial. The 1952 acreage in tobacco in Turkey is almost two-fifths greater than in the immediate prewar period but in Greece, it is probably 10 to 15 percent lower.

Among the foreign countries that are important flue-cured producing and exporting countries are Southern Rhodesia, Canada, and India. Production in Southern Rhodesia in 1951-52 has been estimated at near 108 million

pounds--about 17 million pounds more than the drought-reduced crop of a year earlier. Acreage in flue-cured was almost $4 \frac{1}{2}$ times the prewar average. The average auction price for sales from April through August 28 (approximately four-fifths of the crop) was equivalent to about 51 cents (converted \$2.80 = 1 pound sterling)--about 15 percent higher than the average for the comparable period of a year earlier. Canadian flue-cured acreage for this year was cut back sharply from the record high of 111,300 acres in 1951. This cut was made largely because of the prospect that a smaller quantity would be taken by the United Kingdom. For the year ending June 30, 1952, imports of Canadian tobacco by the United Kingdom were the largest on record. The estimated 1951-52 production of flue-cured in India at about 95 million pounds is roughly one-tenth less than in 1950-51. The drop has been attributed to adverse weather since acreage indications appeared to show some increase. Flue-cured production in India in each of the past 3 years has been about three times the 1935-39 average.

British Tobacco Situation

Tobacco consumption in the United Kingdom in the first 7 months of 1952 was nearly 3 percent less than in the same period of 1951. The proportion of this tobacco that originated in Commonwealth areas was $44 \frac{1}{2}$ percent compared with $41 \frac{1}{3}$ percent in the same 7 months of 1951. The use of Commonwealth tobacco has increased steadily since 1947. In the year ending with March 1952, British consumers spent 810 million pounds sterling on tobacco--8 percent of their total expenditures on consumer goods and services. In the United States in the same period, consumers spent about 2.3 percent of total consumption expenditures on tobacco. The Government of the United Kingdom collected nearly 614 million pounds sterling in tobacco duties in the year ending with March 1952. This represents about 76 percent of the total amount spent by British consumers. In the 1951-52 fiscal year, the Governments of the United States and some 41 States collected 2 billion dollars in tobacco taxes which represented about 40 percent of consumer expenditures on tobacco. In the United Kingdom, the 1951-52 fiscal year Government revenues from tobacco composed nearly 14 percent of the total from all sources. In the United States, tax receipts from tobacco to the Federal and State Governments were $2 \frac{3}{4}$ percent of the total revenues from all sources.

Britain exports a significant quantity of manufactured tobacco, mainly cigarettes, to numerous foreign destinations. Approximately one-fifth of total factory output is exported. In the first 8 months of 1952, exports of manufactured tobacco from Britain were nearly 2 percent less than in the same period of 1951. Australian takings were down sharply (47 percent). Malaya (including Singapore), the destination for nearly two-fifths of Britain's cigarette exports, got 3 percent less in January-August 1952 than in the corresponding period of 1951. Increases occurred in shipments to Western Germany, Egypt, Burma, and Gold Coast. British firms generally use larger proportions of United States tobacco in the cigarettes made for export than they do in those made for home consumption.

Table 8.- United Kingdom tobacco: Stocks, imports, consumption and exports, for specified periods

Period.	Stocks Dec. 31	Imports <u>1/</u>		Retained for home consumption		Exports		Re-exports of un- manufac- tured tobacco
		Total	From United States	Non- prefer- ential <u>2/</u>	Prefer- ential <u>2/</u>	Total	of manu- factured tobacco	
Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Average 1934-38	497	275	213	132	39	171	39	12
1939	514	212	128	151	48	199	40	14
1940	328	141	59	141	50	191	30	2
1941	259	214	129	153	69	222	27	1
1942	238	265	180	157	76	233	17	2
1943	310	354	291	165	56	221	18	4
1944	243	230	180	173	47	220	18	1
1945	278	369	310	183	48	231	37	14
1946	383	433	366	193	55	248	55	7
1947	384	296	201	173	51	224	52	1
1948	390	281	172	153	61	214	45	1
1949	419	302	154	139	72	211	47	2
1950	445	306	144	132	82	214	43	4
1951 <u>3/</u>	505	355	212	130	91	221	51	7
Jan.-Aug.								
1951	4/369	118	35	5/75	5/53	5/128	34	5
1952	4/444	137	35	5/69	5/56	5/125	33	6

1/ Unmanufactured tobacco: Imports of manufactured tobacco products have been generally small relative to imports of unmanufactured tobacco.

2/ Tobacco imported from nonpreferential areas comes in at full duty rate while that imported from preferential areas (Commonwealth origin) comes in at a lower rate of duty. At present, the preferential rate is only about 3 percent below the full duty rate, but from 1931 to 1939, it was over 20 percent below the full duty rate. 3/ Subject to revision. 4/ July 31. 5/ January-July.

Bureau of Agricultural Economics. Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.

The United Kingdom depends entirely upon imports for her tobacco requirements. The United States has long been the principal supplier but the quantities obtained from such Commonwealth countries as Southern Rhodesia, India, Canada, and Nyasaland have risen strikingly since the late 1930's. British takings of United States tobacco in the year ending June 1951 were the largest by far in the past 5 years and accounted for 59 percent of the total compared with 49 percent in the preceding year. However, the prewar average percentage supplied by the United States was nearly 77 percent. In the first 8 months of 1952, tobacco imports into Britain at 137 million pounds were 16 percent larger than in the corresponding period of last year. The sharpest increase shown by the major suppliers was in tobacco imports from Canada--up 63 percent. Tobacco imports from India and Southern Rhodesia increased 37 and 25 percent, respectively, but tobacco from the United States held almost even. A little less than 1 million pounds came from Greece--about the same as in January-August 1951 while only 0.1 million pounds came from Turkey in contrast to 1.4 million in the same period of a year earlier.

Stocks of unmanufactured tobacco in the United Kingdom on July 31, 1952, totaled 444 million pounds compared with 369 million of a year earlier and 349 million, 2 years earlier. The seasonal decline of stocks in bond during the first 7 months of 1952 was the smallest in the last 4 years. However, total stocks are still not up to the levels maintained in 1938 and 1939. Stocks of United States tobacco were built up to some extent by the heavier imports in late 1951 and early 1952. In view of the announced policy of the British Government to maintain consumer supplies of tobacco products but to curtail imports of United States tobacco in 1952-53, the stocks of United States tobacco are expected to decline from their mid-1952 level. Whether these stocks drop to where they were a year or two ago depends on how long the present policy continues.

IMPORTS AND UNITED STATES STOCKS OF FOREIGN GROWN TOBACCO 2/

Foreign grown tobacco is imported into the United States, principally for blending with the domestic types in the manufacture of cigarettes and cigars. In recent years, about three-fourths of the total imports have been cigarette leaf and nearly all the rest cigar leaf. During the first 8 months of 1952, cigarette leaf imports for consumption were almost as large as in the corresponding period of 1951. Tobacco from Turkey

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 9.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)								
Classification and country of origin	January-August							
	Average:	Average:	1950	1951	Average:	1951	1952	1952
	1924-28:	1934-38:	2/	2/	1934-38:	2/	2/	as per-
	1/							centage
								of 1951
	Million	Million	Million	Million	Million	Million	Million	Percent
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	
Cigarette leaf								
Unstemmed								
Turkey	13.1	18.2	48.2	53.0	12.2	36.0	36.6	102
Greece	20.1	18.8	9.5	12.4	13.0	8.1	9.6	119
Syria	.2	.5	3.8	4.0	.3	2.7	2.4	89
Bulgaria	.5	.6	1.3	3.0	3/	.4	3/	---
U.S.S.R.	.0	.1	2.4	6.1	3/	1.9	.4	21
So. Rhodesia	.0	3/	1.3	.6	3/	.4	.4	100
Yugoslavia	.0	.0	.3	.3	.0	.2	.4	200
Total 4/	46.1	44.4	67.6	81.4	30.2	51.1	50.2	98
Cigar leaf (filler)								
Cuba								
Stemmed	13.8	7.1	11.3	10.9	4.6	7.4	7.4	100
Unstemmed	7.8	4.1	3.9	4.1	2.8	2.9	2.7	93
Philippine, Rep.								
Stemmed	1.7	5/	.3	.1	5/	.1	1.1	6/
Unstemmed			.0	.7		.1	.1	100
Total 4/	22.4	11.3	15.5	15.8	7.4	10.4	11.3	109
Scrap								
Cuba	1.8	2.9	5.1	6.0	2.0	3.9	5.4	138
Philippine, Rep.	.0	5/3.2	.2	.0	5/2.2	.0	.2	---
Total 4/	1.9	6.1	5.3	6.1	4.2	4.0	5.6	140
Cigar wrapper								
Indonesia	7/6.1	7/1.9	.8	.9	7/1.2	.7	.5	71
Cuba	.1	.2	.3	.3	3/	.2	.2	100
Total 4/	6.3	2.1	1.1	1.3	1.3	.9	.7	78
Total imports 8/	78.3	66.3	90.0	104.8	44.8	66.5	67.9	102

1/ General imports. 2/ Preliminary. 3/ Less than 50,000 pounds. 4/ Includes quantities from other countries not separately listed. 5/ Reported as leaf in 1934 and 1935 and as scrap in 1936-38. 6/ Nearly 11 times as much. 7/ Formerly shown as originating in Netherlands Indies or Netherlands. 8/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

and Greece accounted for 73 and 19 percent, respectively, of total cigarette leaf imports. Quantities from U.S.S.R. and Bulgaria were negligible in contrast to 2.3 million pounds in January-August 1951. The higher duty rate that became effective on tobacco from these countries in late 1951 and early 1952 is probably the main reason for the sharp reduction. Stocks of foreign grown cigarette and smoking tobacco in the country totaled 179 million pounds on July 1--slightly less than a year earlier but about one-fifth above those on July 1, 1950. With cigarette manufacture expected to continue at a high level, imports of cigarette leaf in 1953 are expected to continue at a rate at least as high as during the last year or two.

A large proportion of the imported cigar tobacco, filler and scrap, comes from Cuba. In the first 8 months of 1952, imports of total filler leaf from Cuba were a little lower than in the same period of a year earlier but a significantly larger quantity came in from the Philippine Republic. The January-August imports of scrap tobacco from Cuba were up quite sharply over those in the same months of 1951. Imports of cigar wrapper from Indonesia were lower but those from Cuba were higher. On July 1, the stocks of Cuban tobacco in the United States totaled a little over 17 million pounds, moderately higher than on the same date in 1951 and 1950 but well below the level of 1948 and 1949. The July 1 stocks of Sumatra and Java tobacco totaled 732,000 pounds compared with 444,000 of a year earlier, and 762,000, two years earlier.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Government Price Supports on Tobacco

1952 Crop

Government price supports are available for the 1952 crops of blue-cured, Burley, fire-cured, dark air-cured (types 35-36), Virginia sun-cured, and Puerto Rican filler. When marketing quotas are in effect, the law provides that the price supports are to be at 90 percent of parity except for fire-cured, dark air-cured, and Virginia sun-cured. The price support for the fire-cured types is at 75 percent of the Burley support level and for dark air-cured and Virginia sun-cured, at 66-2/3 percent of the Burley support level. In 1952, Federal marketing quotas are in effect on all the above kinds of tobacco except Puerto Rican. For this type, the supply position has not necessitated a Federal marketing quota. Growers of Maryland, Pennsylvania Seedleaf, and the cigar filler and binder kinds of tobacco will not receive price support on their 1952 crops since in referenda held late in 1951, they disapproved marketing quotas. The law provides that when marketing quotas have been rejected by growers, no price support can be made available. The marketing quota and price support legislative provisions do not apply to the Connecticut Valley and Georgia Florida shade-grown wrapper types.

The method of figuring effective parity prices for nearly all the individual kinds of tobacco may be illustrated by using the 1952 computations on flue-cured as an example:

1. Average price of flue-cured in 10 years preceding 1952.
1942-51 average 45.8 cents per pound
2. Average of the indexes of prices received by farmers for all commodities in the corresponding 10 calendar years.
1942-51 average 235 (1910-14 = 100)
3. Divide the 10-year average for flue-cured by 2.35 to derive the adjusted base price for calculating the flue-cured parity for each month in 1952.
19.5 cents per pound
4. Mid-June 1952 index of prices paid by farmers, including interest, taxes, and wage rates. 286 (1910-14 = 100)
5. Multiply the adjusted base price for flue-cured by 2.86 to arrive at the June 1952 parity price of flue-cured tobacco.
55.8 cents per pound

It should be noted that the adjusted base price for a particular year results from a calculation involving two moving 10-year averages. Unless these two averages move in the same proportion, the adjusted base price will differ from year to year. When the 10-year index of prices received for all agricultural commodities moves up more than the 10-year average price of flue-cured, the adjusted base price tends to be lower. This occurred 1950 to 1951 and consequently, reduced the 19.9-cent adjusted base price for computing flue-cured parity during 1951 to the 17.5-cent adjusted base price (as shown above) for computing parity during 1952. If in the future, the 10-year average price index for all agricultural commodities should decline more than the 10-year average price for tobacco, the adjusted base price for tobacco would be above what it would be if the relative declines were the same.

When the necessary price data become available, parity prices for the various kinds of tobacco are computed each month; but in the determination of support prices, the level of parity prices at the beginning of the marketing year is the important consideration. As defined in the legislation, the marketing year for flue-cured is July 1-June 30 and for all other types, October 1-September 30. In order to make the necessary calculation with respect to price supports for flue-cured, 90 percent of its mid-June parity is used and for the other types where applicable, 90 percent of their mid-September parities are used.

The 1949 Agricultural Act provides that insofar as practicable, the level of price support shall be announced in advance of the planting season. These become, in effect, the minimum price support levels for a particular year's crop. If parity prices decline between the time the preplanting announcement is made and the beginning of the marketing year, the announced support cannot be reduced; but if parity prices increase, the price supports are increased proportionately.

The United States Department of Agriculture announced the minimum support prices for the 1952 tobacco crop on March 10, 1952. They were as follows:

Flue-cured, types 11-14	50.6 cents per pound
Burley, type 31	49.5 cents per pound
Fire-cured, types 21-23	
(75 percent of Burley rate)	37.1 cents per pound
Dark air-cured, types 35-36	
(66 2/3 percent of Burley rate)	33.0 cents per pound
Virginia sun-cured, type 37	
(66 2/3 percent of Burley rate)	33.0 cents per pound

Ninety percent of the mid-June flue-cured parity price was 50.2 cents; therefore, the actual support for the 1952 flue-cured crop is 50.6 cents as announced on March 10. The announced support of 49.5 cents for Burley also will be the actual support since 90 percent of its mid-September parity was 48.8 cents. Since the price supports of the other three kinds are derived from the Burley price support level, they, too, will be supported at the prices specified in the March 10 announcement. For each of these kinds of tobacco, their 1952 crop price supports are very slightly lower (less than 1 percent) than those for the 1951 crop.

These price supports, in effect, are average loan levels; and for each kind of tobacco, there is a schedule of rates by grades. For example, in the 1952 loan rate schedule for flue-cured tobacco, there are 118 grades with prices ranging from 17 to 74 cents per pound. Growers offer their tobacco at auction markets; and at the growers' option, loans are made available through the growers' cooperative associations with funds made available by the Commodity Credit Corporation.

The price support level for the Puerto Rican crop which will be planted late this year and, in large part, will be harvested and sold during the first half of 1953 is 33.1 cents per pound.

1953 Crop Price Supports

The price supports on next year's crops of flue-cured and Burley (if marketing quotas are approved) seem likely to be a little lower than those for this year's crops. The parity prices probably will be down a little because the adjusted base prices will be lower. In order to derive the adjusted base price for calculating the parity in 1953, the 1943-52 average price in each case will be divided by the 1943-52 average index of all agricultural commodities. A comparison of the estimated 1943-52 averages with the 1942-51 averages indicates that the 10-year average index of all agricultural commodities will increase more percentagewise

than will the 10-year averages of flue-cured and Burley prices. Thus, the adjusted base prices may be a little lower. In 1953 the parity index (index of prices paid by farmers, including interest, taxes, and wage rates) may edge upward from the September level--the low point during the first 9 months of 1952. However, the increase in the parity index during 1953 is not likely to offset the effects of the reduced adjusted base prices in the parity price calculations for flue-cured and Burely.

Flue-Cured, Types 11-14

Domestic Use and Exports

During July 1952-June 1953, the total disappearance of flue-cured probably will be about 4 or 5 percent lower than the record level of 1951-52 but will be higher than any other previous year. Domestic use is likely to increase to a new high but not enough to offset the decline in exports that is expected.

Domestic use of flue-cured was a record 777 million pounds in 1951-52--21 million pounds above that of 1950-51. The record output of cigarettes was responsible for the large domestic use of flue-cured, which generally composes more than half of the average American cigarette blend.

Exports of flue-cured in 1951-52 at 502 million pounds (farm-sales weight) rose one-sixth above the 1950-51 level and were the largest in 5 years. The 1951-52 exports to the United Kingdom were more than two-fifths larger than exports in each of the previous 2 years and comprised about one-half of the total flue-cured shipments in 1951-52. The 1952-53 exports of flue-cured to the United Kingdom will be considerably smaller, which largely accounts for the 10 to 15 percent drop expected in total flue-cured exports. The 1951-52 exports to Germany, the second ranking outlet, were considerably lower than in each of the previous 2 years but are expected to show a sizable increase in 1952-53.

Flue-cured tobacco goes to a great many other foreign destinations. Some of these, particularly those in the sterling group with the probable exception of Ireland probably will not get any more than in 1951-52 and some seem likely to take less. The economic positions of some countries that are important flue-cured outlets have improved over the past year, and they may increase their takings to some extent. The third ranking outlet in 1951-52 was the Philippine Republic, which took a much greater amount of flue-cured than a year earlier but not quite as much as in 1949-50. However, Philippine legislation restricting tobacco imports has been reported and may affect future shipments to that destination. The 1951-52 flue-cured exports to Australia and Belgium, the fourth and fifth ranking outlets, were the largest in the past 3 years in both instances. Ireland ranked sixth and got a little more than in 1950-51 but less than in 1949-50. Netherlands, ordinarily the third ranking outlet, was in seventh place in 1951-52--getting considerably less than in each of the 2 previous years. Indonesia, ranking eighth, got a little less in 1951-52 than a year earlier but substantially more than 2 years earlier. Sweden, ranking ninth among the foreign outlets

for flue-cured, got moderately less in 1951-52 than in 1950-51 but more than in 1949-50, when relatively little went there. Denmark ranked tenth and got moderately less in 1951-52 than in each of the preceding 2 years. The 1951-52 shipments of flue-cured to Switzerland, Norway, Austria, and French Indochina were less than in each of the 2 previous years, but those to Thailand, Hong Kong, Pakistan, Ceylon, Nigeria, Malta, Portugal, and France were greater than in each of the 2 previous years. India took considerably less in 1951-52 than a year earlier but a little more than in 1949-50. The quantity of flue-cured going to Finland was nearly the same in each of the last 2 years--well above that in 1949-50. The 1951-52 exports to Egypt were considerably above the small amount of a year earlier but less than in 1949-50. A substantial quantity of flue-cured went to Japan in July-August 1952.

Table 10.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)							
Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38:	741	845	1,586	704	338	366	22.9
1939	1,171	946	2,117	707	417	290	14.9
1940	760	1,410	2,170	577	421	156	16.4
1941	650	1,593	2,243	783	492	291	28.1
1942	812	1,460	2,272	893	604	289	38.4
1943	790	1,379	2,169	980	625	355	40.2
1944	1,087	1,189	2,276	1,150	696	454	42.4
1945	1,173	1,126	2,299	1,152	667	485	43.6
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,184	756	428	54.7
1951 2/	1,452	1,558	3,010	1,279	777	502	52.4
1952 2/	1,389	1,731	3,120				

1/ Year beginning July 1.

2/ Subject to revision.

Note: Beginning 1944, domestic disappearance exports data are revised.

Supplies

Carry-over of flue-cured on July 1, 1952, totaled 1,731 million pounds--11 percent more than a year earlier. The October 1 estimate of United States flue-cured production was 1,389 million pounds--4 percent smaller than last year's crop but still the second largest on record. The carry-over plus this year's crop adds to a total supply for 1952-53 of 3,120 million pounds--almost 4 percent greater than the 1951-52 level. The 1952-53 total supply is about 2.5 times the probable disappearance. In the previous 3 years, supplies have been about 2.3 times the disappearance.

The carry-over of flue-cured on July 1, 1953, is expected to be approximately 1,890 million pounds. The announced 1953 acreage allotment is about one-eighth smaller than the 1952 allotment. Based on average yields per acre in the recent 3 years, the 1953 production may approximate 1,270 million pounds. If so, this would mean a total supply of 3,160 million pounds for 1953-54 or a little higher than the 1952-53 level.

Ninety-eight percent of the flue-cured tobacco growers voting in a referendum in July of this year approved marketing quotas applicable to the 1953, 1954, and 1955 crops.

1952 Crop Prices

Auction market prices for all types of flue-cured combined through October 10 averaged 50.8 cents per pound compared with 51.8 cents in the corresponding period of 1951. About 2/3 of the crop had been marketed by mid-October. Some markets opened later this year since the crop matured later in some areas.

Auction market volumes and prices through approximately the same period in the 1951 and 1952 seasons in the five belts were as follows:

	Through Oct. 12 1951 Million pounds	Through Oct. 10 1952 Million pounds	Through Oct. 12 1951 Cents per lb.	Through Oct. 10 1952 Cents per lb.
Ga.-Fla., type 14	192	180	46.3	49.0
S. C. and Border N. C., type 13	335	319	51.8	52.1
Eastern N. C., type 12	384	322	54.3	51.0
Middle Belt, type 11 (b)	101	81	52.7	50.2
Old Belt, type 11 (a)	122	78	51.4	48.9

In the Georgia-Florida belt, marketings were completed on August 29 and the season average price was the highest on record. Practically all grade prices exceeded last year's. Growers placed 6 1/2 million pounds under Government loan--about 4 percent of their deliveries compared with nearly 10 percent in the 1951 season.

Marketings in the Border Belt are nearing completion. A comparison of prices of a representative group of better grades with those of last year showed many to be the same but prices of a number of lower grades were higher than in 1951. Through October 10, growers placed about 7 percent of their deliveries under Government loan compared with 11 percent in the 1951 season.

In the Eastern Belt for the season through October 10, a comparison of prices of representative grades with those in the corresponding period of last year shows many in both the better and poorer grades to be a little lower and some the same. Receipts under Government loan through October 10 amounted to about 11 percent of deliveries compared with 6 percent in the 1951 season.

In the Middle Belt through October 10, prices of most of the representative better grades appear to be practically the same as in the corresponding period of last season but prices of many of the poorer grades were lower. Through October 10, approximately 10 percent of deliveries were placed under Government loan compared with a little over 9 percent in the 1951 season.

Auctions in the Old Belt commenced on September 22. Early season sales were of lower quality than in 1951. Prices of several representative of both better and poorer grades were a little lower than a year ago. Through October 10, farmers placed about 19 percent of deliveries under Government loan. For the 1951 season as a whole, nearly 16 percent went under loan.

Table 11.- Flue-cured price support operations, 1946-52

(Farm-sales-weight equivalent)			
Marketing season	Flue-cured placed under Government loan	Proportion of total crop	Remaining in Government loan stocks on Sept. 30, 1952
	Quantity		1/
	Million pounds	Percent	Million pounds
1946	66.5	4.9	None
1947	232.3	17.6	None
1948	106.1	9.7	None
1949	103.5	9.3	None
1950	77.6	6.2	14.0
1951	142.4	9.8	99.6
1952	2/	2/	2/

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their equivalent farm-sales weights shown in this column.

2/ During the 1952 marketing season through October 10, about 81 million pounds--approximately 9 percent of producers' sales--had been placed under loan.

Burley, Type 31

Domestic Use and Exports

In the October 1952-September 1953 marketing year, total disappearance of Burley is likely to be a little larger than in 1951-52. The probable increase in domestic use in cigarette manufacture will be the main contributing factor. The other domestic uses of Burley, mainly in smoking and chewing tobacco, may be almost the same. Total domestic use of Burley in the year ending September 30, 1952, is estimated at 505 million pounds--above that of any previous year.

The 1951-52 exports of Burley seem likely to be nearly the same as the 30 million pounds (farm-sales weight) of 1950-51. In each of the recent 2 years, Burley exports have been roughly one-fourth lower than in the preceding 2 years. In the 1952-53 marketing year, Burley exports seem likely to increase moderately but are not expected to be as much as the 41 million pounds in 1949-50. The leading foreign outlet for Burley in the last 3 years has been Germany. Exports of Burley to Germany dropped sharply between 1949-50 and 1950-51 but by late 1951-52 showed a fairly substantial recovery. German takings for 1951-52 as a whole are moderately higher than in 1950-51 but not as large as in 1949-50. The next most important outlets for Burley in the last 2 or 3 years have been Belgium, Portugal, Sweden, Netherlands, and Denmark. Burley exports to Belgium also fell sharply between 1949-50 and 1950-51 but turned upward in 1951-52 and will exceed the 1950-51 total by a fairly sizable amount. Exports to Portugal and Netherlands dropped sharply from 1949-50 to 1950-51 and declined even further during most of 1951-52. Burley exports to Sweden gained a little in each of the last 2 marketing years, but Burley to Denmark dropped a little between 1949-50 and 1950-51 and through most of 1951-52, was down still further. Other foreign outlets for Burley such as Mexico, France, Finland, and perhaps Norway increased their takings in each of the last 2 marketing years. The quantity going to Austria dropped sharply from 1949-50 to 1950-51 and held about even with the lower level during 1951-52. The Burley exports to Switzerland, and the Philippine Republic rose some between 1949-50 and 1950-51 but during much of 1951-52, was running below that of a year earlier. Egypt got more in 1951-52 than a year earlier and the final figure may be nearly as much as 2 years ago. In 1950-51 for the first time in many years, Spain took a significant quantity of Burley but none has been reported as going there in 1951-52.

Supplies

The estimated carry-over of Burley on October 1, 1952, is 1,063 million pounds--8 percent higher than a year ago. The October 1 estimate of the Burley crop is 611 million--only 1 percent lower than last year's record 616 million pounds. The second largest crop was 614 million pounds in 1946.

Table 12.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)							
Year	: Production :	: Stocks :	: Supply :	Disappearance 1/		: Average	
				: Total :	: Domestic :	: Exports :	: price per
	: Oct. 1 :				2/	2/	: pound
	: Million	Million	Million	Million	Million	Million	
	: pounds	pounds	pounds	pounds	pounds	pounds	Cents
Av. 1934-38:	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951 2/	617	981	1,598	3/535	3/505	3/30	51.2
1952 2/	611	3/1,063	3/1,674				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

The estimates of carry-over and production add to a total supply of 1,674 million pounds for the 1952-53 marketing year--nearly 5 percent above the 1951-52 level. The 1952-53 total supply is almost 3.1 times probable disappearance. This ratio was 3.0 in 1951-52 and close to 2.9 in 1950-51 and 1949-50.

It seems probable that the carry-over of Burley on October 1, 1953, will be approximately 1,125 million pounds--a 6 percent further increase over the estimated carry-over on October 1 of this year.

An announcement of the 1953 marketing quota and acreage allotment for Burley will be made by the Secretary of Agriculture in the near future. Burley growers will vote in a referendum as to whether they favor marketing quotas for 1 year, 3 years, or are against quotas. Marketing quotas have been continuously in effect on Burley since 1939. In the last Burley referendum (held in late November 1949), quotas were approved for the following 3 marketing years by over 92 percent of the voters.

1952 Crop Price Prospects

Burley auctions begin around December 1. Demand for cigarette grades is expected to be quite active. The support price at 49.5 cents per pound is nearly as high as the 49.8 cent support level for the 1951 crop. The average price received for the 1951 crop was 51.2 cents per pound--the highest on record. Approximately 90 percent of the grade price averages were also at record levels although the crop contained a larger proportion of fair quality tobacco than in the preceding year. In the earlier part of the growing season, drought was having a major effect on the 1952 crop but August rains brought about a substantial recovery, and much of the crop is believed to be of high quality. The 1952 crop seems likely to bring an average price fairly close to that for last year's crop.

Table 13.- Burley price support operations, 1946-51

(Farm-sales-weight equivalent)			
Marketing season	Burley placed under Government loan	Proportion of	Remaining in Govern-
	Quantity	total crop	ment loan stocks on
	Million pounds	Percent	Sept. 30, 1952 1/
1946	147.8	24.1	None
1947	37.7	7.8	None
1948	96.7	16.0	None
1949	39.1	7.0	.4
1950	44.2	8.9	35.4
1951	97.5	15.8	95.1

1/ Actual loan stocks in terms of packed weight are 10 or 11 percent less than their equivalent farm-sales weights shown in this column.

Maryland, Type 32 3/

Domestic Use and Exports

The total disappearance of Maryland tobacco in the October 1952-September 1953 marketing year seems likely to be as large or a little larger than the 35 million pounds estimated for 1951-52. In 1951-52, domestic use, largely in cigarettes, appears to have been about 28 million pounds--up a little from that in the preceding year. Exports of Maryland tobacco through much of the recent year have been at a lower rate than a year ago. The 1951-52 marketing year estimate is 6 to 7 million pounds--nearly one-fourth less than in 1950-51 and the lowest in 5

3/ This year the Congress amended the Agricultural Adjustment Act of 1938 to provide that for the purposes of marketing quotas and, when in effect, the sliding scale price supports, the carry-over and total supply of Maryland tobacco would be computed on the basis of January 1 following the beginning of the marketing year instead of on the basis of October 1, as heretofore. Inasmuch as the definition of the marketing year, itself, was not changed, the discussion and statistical table are in terms of the October-September period.

years. In 1952-53, Maryland exports may gain some. Switzerland continues to be by far the leading foreign outlet for Maryland tobacco--usually receiving over three-fifths of the United States total exports of this type. Switzerland got moderately less in 1950-51 than in 1949-50 and a further drop is indicated for the year just ended. France sharply increased her takings of Maryland tobacco from 1949-50 to 1950-51 but in 1951-52, the quantity going there has been negligible. Maryland tobacco exports to Netherlands, Germany, Spain, and French Morocco increased between 1949-50 and 1950-51 but have been at a considerably lower rate in most of 1951-52 than a year earlier. Tunisia took a larger amount in 1950-51 than in 1949-50 and substantially more in 1951-52 than in each of the previous two years.

Table 14.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)								
Year	Production	Stocks Oct. 1	Production plus Oct. 1 stocks	Disappearance Total	Disappearance Domestic	Disappearance Exports	Average price per pound	Stocks following Jan. 1
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	Million pounds
Average:								
1934-38:	27.5	41.3	68.8	26.5	21.1	5.4	19.7	38.4
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1	36.3
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0	43.2
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1	45.0
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5	47.7
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3	43.8
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5	37.6
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0	46.5
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5	32.4
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8	44.8
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4	46.9
1949	41.2	54.0	95.2	35.4	28.0	7.4	48.3	45.5
1950	40.0	59.8	99.8	35.5	27.1	8.4	48.2	53.4
1951 ^{2/}	41.6	64.3	105.9	^{4/} 35.0	^{4/} 28.0	^{4/} 7.0	^{5/} 43.8	59.3
1952 ^{2/}	39.2	^{4/} 71.0	^{4/} 110.2					

^{1/} Year beginning October 1. ^{2/} Subject to revision. ^{3/} Public Law 464-82nd Congress (an amendment to previous Agricultural legislation) provides that for the purposes of marketing quotas and when in effect, the sliding-scale price support, the carry-over and total supply of Maryland tobacco shall be computed as of January 1 following the beginning of the marketing year--defined as the October 1-September 30 period. ^{4/} Estimated. ^{5/} Auction market average.

Stocks and Production

Manufacturers' and dealers' stocks of Maryland tobacco on October 1, 1952, are estimated at 71 million pounds--approximately one-tenth larger than a year earlier and the largest October 1 stocks on record. The October estimate for the 1952 crop is 39 million pounds--6 percent less than last year and the lowest in 4 years. This production plus the estimate of October 1 stocks adds to 110 million pounds--nearly 4 percent above the comparable figure for a year ago.

The 1952-53 total supply, according to the legal definition applying to Maryland tobacco, is this year's production plus the January 1, 1953, carry-over. The 1952-53 supply calculated on this basis probably will be about 3 percent above the 1951-52 supply of 101 million pounds and above any previous year's supply thus computed.

A national marketing quota and acreage allotment applicable to the 1953 crop was announced on October 1, and Maryland growers will be given the opportunity on October 29 to either vote for quotas for 1 year or for 3 years, or to vote against them. Maryland growers disapproved marketing quotas in the referendum held with respect to their 1951 crop and again last year in the referendum with respect to their 1952 crop.

Prices

The auction market average for the 1951 crop was 43.8 cents per pound--72 percent of parity as of the beginning of the marketing year. The average auction price was 8 percent lower than in the previous season and many individual grade prices dropped even more. The 1952 crop will be auctioned next spring and summer. The 1952 crop is smaller, but total supply is at a record level and price average seems likely to be not very much different than in the past season. Under present provisions of the law, Government price supports could not be made available for either the 1951 or 1952 crops because growers had disapproved a marketing quota. If quotas are in effect, price support at 90 percent of parity is required by law.

Table 15.- Maryland tobacco price support operations, 1948-50 crops 1/

(Farm-sales-weight equivalent)				
Crop	:	Maryland tobacco placed	:	Remaining in Govern-
	:	under Government loan	:	ment loan stocks on
	:	Quantity	:	Proportion of
	:	:	:	Sept. 30, 1952
	:	total crop	:	2/
	:	<u>Million pounds</u>	<u>Percent</u>	<u>Million pounds</u>
1948	:	3.0	8.6	1.5
1949	:	2.6	6.3	1.0
1950	:	5.5	13.8	5.3

1/ Maryland tobacco grown in one year is auctioned in the spring and summer of the following year.

2/ Actual loan stocks in terms of packed weight are about 2 percent less than their equivalent farm-sales weight.

Fire-Cured, Types 21-23

Domestic Use and Exports

In the October 1952-September 1953 marketing year, total disappearance of fire-cured tobacco may be a little larger than the 65 million pounds estimated for 1951-52. The major domestic outlet for fire-cured tobacco is snuff. The manufacture of snuff declined slightly in the past year and therefore, domestic use of fire-cured is estimated at 35 million pounds--not quite 1 million pounds lower than in 1950-51. The 1952-53 figure probably will again be quite close to 35 or 36 million pounds. Exports of fire-cured tobacco dropped sharply in the past year. The estimated exports for 1951-52 as a whole is 30 million pounds--nearly 10 million pounds below the 1950-51 figure. Some small increase above 1951-52 may occur in 1952-53.

In the past 3 years, 80 to 85 percent of total fire-cured tobacco exports was Kentucky-Tennessee fire-cured. Exports of these types rose substantially from 1949-50, when they were the second lowest for peacetime, to 1950-51, when they were the third highest since World War II. But during 1951-52, they again fell off rather sharply. The major countries accounting for the drop in 1951-52 are France and Spain. France, the leading foreign outlet for this tobacco, increased her takings from 1949-50 to 1950-51 by 35 percent but none has been reported as going there during most of the 1951-52 marketing year. During 1950-51, for the first time in many years, a substantial quantity of Kentucky-Tennessee fire-cured went to Spain--but through late 1951-52, none was reported as going there. Netherlands, the leading foreign outlet in 1951-52, has increased her takings substantially in each of the last 2 years as have the United Kingdom and Ireland. In the future Indonesia is expected to get some of the fire-cured leaf exports that ordinarily would go to the Netherlands. The increased import duties on manufactured tobacco products entering Indonesia has led to the establishment of manufacturing facilities there. Belgium, Switzerland, Sweden, French West Africa, and Algeria increased their fire-cured tobacco imports sharply between 1949-50 and 1950-51 but steep declines followed during much of 1951-52. German takings decreased from 1949-50 to 1950-51 but turned sharply upward in 1951-52. Kentucky-Tennessee fire-cured to Italy has been fairly stable in the last 2 years at a somewhat lower level than in 1949-50.

Exports of Virginia fire-cured tobacco declined from 1949-50 to 1950-51 and the 1951-52 total may be the smallest for any year since 1942-43. Shipments to Norway, the leading foreign outlet, rose substantially between 1949-50 and 1950-51 but were much lower than a year earlier during most of 1951-52. The same thing has been true of Switzerland, the second ranking 1950-51 outlet. Virginia fire-cured tobacco exports to the United Kingdom dropped sharply between 1949-50 and 1950-51 and have been at an even lower rate in much of 1951-52. Quantities going into Sweden and New Zealand increased from 1949-50 to 1950-51 but fell off some during much of 1951-52. After getting sharply less in 1950-51 than in 1949-50, Germany increased her takings appreciably in 1951-52 and topped the 1950-51 level. No Virginia fire-cured had been reported as going to the Netherlands through late 1951-52, and a year earlier, her takings showed a sharp relative decrease from 1949-50.

Table 16.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)							
Year	Production	Stocks Oct. 1	Supply	Total	Disappearance Domestic	Exports	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38:	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	54.5	16.7	23.4
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949	72.2	157.2	229.4	64.7	35.4	29.3	29.8
1950	58.3	164.7	223.0	75.7	35.9	39.8	31.2
1951 2/	59.5	147.3	206.8	3/65.0	3/35.0	3/30.0	40.0
1952 2/	55.8	3/142.0	3/197.8				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

Supplies

The October 1, 1952, carry-over is estimated at approximately 142 million pounds--about 4 percent less than a year earlier. Stocks of Kentucky-Tennessee, type 23 (Western District), have been reduced substantially in the last 2 years. The October estimate of the 1952 production of fire-cured is almost 56 million pounds--6 percent lower than last year's and the smallest on record. The indicated Kentucky acreage, particularly of type 23, was down quite sharply. The 1952 crop plus the carry-over provides a 1952-53 total supply of almost 198 million pounds--4 percent lower than the 1951-52 level and the second smallest on record.

It appears probable that the carry-over on October 1, 1953, will approximate 130 million pounds--8 percent less than the estimated October 1 level for this year.

The 1953 fire-cured quota and acreage allotment will be announced by the Department of Agriculture in the near future. Marketing quotas applicable to the 1952, 1953, and 1954 crops were approved by the growers of fire-cured tobacco voting in the referendum held in December 1951.

Prices

Demand for some grades of fire-cured should be quite strong in the coming marketing season. Auctions usually begin in late November for Virginia fire-cured and in early January for the Kentucky-Tennessee types. Last season, the Virginia fire-cured brought an average of 39.2 cents-- 8 percent above a year earlier and a record high. In the 1951 season, the Kentucky-Tennessee types 22 and 23 averaged 41.9 and 35.2 cents, respectively--both at a record high and well above the previous year when prices were low because of the poor quality.

The Government price support for the 1952 crop is 37.1 cents compared with the 37.4-cent level of last season.

Table 17.- Fire-cured price support operations, 1946-51

(Farm-sales-weight equivalent)			
Marketing season	: Fire-cured placed under Government loan		: Remaining in Government loan stocks on
	: Quantity	: Proportion of	: Sept. 30, 1952 1/
	: <u>Million pounds</u>	: <u>total crop</u>	: <u>Million pounds</u>
		<u>Percent</u>	
1946	40.7	37.4	5.8
1947	31.3	36.2	9.8
1948	27.3	37.3	10.3
1949	18.7	25.9	8.2
1950	12.5	21.4	10.2
1951	7.5	12.7	6.9

1/ Actual loan stocks in terms of packed weight range from 5 to 11 percent less than their farm-sales weights shown in this column.

Dark Air-Cured, Types 35-37

Domestic Use and Exports

In the October 1952-September 1953 marketing year, total disappearance of dark air-cured tobacco is expected to be about the same as the estimated 32 or 33 million pounds in 1951-52. Domestic use of dark air-cured is mostly in chewing tobacco, which seems likely to continue a gradual downward drift. In 1951-52, estimated domestic use is 24 1/2 million pounds--about 1 million pounds lower than in 1950-51.

The 1951-52 exports of dark air-cured are estimated as being about 8 1/2 million pounds (farm-sales weight)--17 percent lower than in 1950-51 although somewhat above the postwar low of 1949-50. Dark air-cured tobacco goes abroad partly as leaf (One Sucker and Green River) and partly in the form of Black Fat--a semiprocessed commodity using dark air-cured tobacco. Total exports of Black Fat increased between 1949-50 and 1950-51 and continued at a high rate through late 1951-52. Exports of Black Fat to Nigeria, the leading outlet, have run a little below those of a year ago but quantities going to the Gold Coast, second ranking outlet, have increased in each of the

past 2 years. French West Africa, third ranking outlet, sharply increased its takings of Black Fat from 1949-50 to 1950-51 and the higher rate was maintained through late 1951-52. Shipments to French Equatorial Africa and other Western Portuguese Africa increased from 1949-50 to 1950-51 but fell off during most of 1951-52. Exports of One Sucker and Green River increased sharply from 1949-50 to 1950-51 but they have been at a lower rate through late 1951-52. The major increases in 1950-51 were accounted for by the substantial quantities going to Spain in contrast to none or only negligible quantities going there in the past year. However, the United Kingdom raised her takings of Green River leaf quite substantially in each of the past 2 years. Belgium's takings of Green River during most of the past 2 years have been lower than in 1949-50. Quantities of One Sucker to Belgium increased from 1949-50 to 1950-51 but again dropped off in most of 1951-52. The shipments of Green River to Liberia have been at a much lower rate in most of 1951-52 than in the previous 2 years. A significant quantity of Green River went to Indonesia during 1951-52 in contrast to none in each of the previous 2 years. After getting considerably more One Sucker in 1950-51 than in the previous year, Netherlands had taken only a very small quantity of this type by late 1951-52. One Sucker to Nigeria increased from 1949-50 to 1950-51 but showed a moderate decline in 1951-52. A sizable quantity of Virginia sun-cured (type 37) went to Norway in June 1952.

Table 18.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

(Farm-sales weight)							
Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
				2/	2/	2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38:	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939	44.2	56.1	100.3	34.7	27.3	7.4	7.3
1940	42.5	65.6	108.1	33.7	29.0	4.7	7.7
1941	31.5	74.4	105.9	41.9	38.9	3.0	12.0
1942	35.2	64.0	99.2	33.9	29.8	4.1	15.0
1943	30.0	65.3	95.3	37.6	34.4	3.2	27.2
1944	44.2	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.9	23.1	14.8	28.7
1949	36.2	74.1	110.3	30.5	24.3	6.2	28.2
1950	28.6	79.8	108.4	36.7	26.4	10.3	24.6
1951 2/	31.7	71.7	103.4	3/32.5	3/24.0	3/8.5	34.3
1952 2/	30.2	3/71.0	3/101.2				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

Supplies

The October 1, 1952, carry-over is estimated at approximately 71 million pounds--around 1 million pounds lower than a year earlier. The October estimate of 1952 production was a little over 30 million pounds--5 percent less than last year's harvestings. Most of the decline was in One Sucker production. This year's crop plus the carry-over will provide a total 1952-53 supply of about 101 million pounds--2 percent less than the 1951-52 level and the lowest since 1943-44.

It appears probable that the carry-over on October 1, 1953, will be approximately 68 million pounds or about 3 million pounds lower than on October 1 of this year.

The 1953 quotas and allotments for the dark air-cured types will be announced by the Department of Agriculture in the near future. For types 35-36, marketing quotas applicable to the 1952, 1953, and 1954 crops were approved by the growers in a referendum held in December 1951. Growers of Virginia sun-cured (type 37) will vote this fall on whether to continue quotas for 1 year, 3 years, or to reject quotas.

Prices

Auctions for the 1952 crop of these types usually begin between late November and mid-December. The 1951 season average price for One Sucker was 34.4 cents per pound and for Green River, 34.2 cents. These were 10.8 and 11.6 cents higher, respectively, than the 1950 season averages, when quality was extremely poor. The 1951 season average for Virginia sun-cured was 34.6 cents--2 percent higher than in the 1950 season. Each of the dark air-cured types had record high price averages last season.

The Government price support for the 1952 dark air-cured crop is 33.0 cents per pound compared with the 33.2 cent level of last season.

Table 19.- Dark air-cured price support operations, 1946-51

(Farm-sales-weight equivalent)			
Marketing season	Dark air-cured placed under Government loan	Proportion of total crop	Remaining in Government loan stocks on Sept. 30, 1952
	Quantity		1/
	Million pounds	Percent	Million pounds
1946	15.7	31.7	1.5
1947	14.4	38.7	10.4
1948	8.9	25.6	5.6
1949	4.1	11.3	2.8
1950	4.1	14.3	3.9
1951	7.3	23.0	7.2

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their farm-sales-weight equivalent.

Cigar, Types 41-62

Domestic Use and Exports

The total disappearance of cigar filler, types 41-44, in the October 1951-September 1952 marketing year is estimated as being about 60 million pounds--appreciably higher than the relatively low 52 to 54 million pound level of the previous 2 years. The great bulk of it went into domestic cigars, which showed a significant increase in the past year. Exports accounted for less than 1 million pounds of total disappearance in each of the last 2 marketing years. Germany and Tunisia took more but Algeria, the leading outlet, got less through most of 1951-52 than in the same period of a year earlier.

The total disappearance of the combined binder types 51-55 in the October 1951-September 1952 marketing year is expected to total about 59 million pounds compared with an average of 54 million pounds in the previous 2 years. Most binder tobacco goes into cigars but a sizable quantity of the lower grades is used in the manufacture of scrap chewing tobacco. Exports of binder tobacco were about 5 percent of total disappearance in 1950-51 and are estimated to account for about the same share in 1951-52. Between 1949-50 and 1950-51, total exports of cigar binder declined but through late 1951-52, they were up a little. The binder exports to Germany, the leading foreign outlet, dropped sharply between 1949-50 and 1950-51 but have recovered somewhat in 1951-52. The binder exports to the Netherlands, Belgium, and Denmark increased substantially between 1949-50 and 1950-51 but have been at a much lower rate throughout most of 1951-52 than in the same period of a year earlier. Austrian takings dropped from 1949-50 to 1950-51 but in 1951-52 were considerably larger than both previous years.

The total disappearance of the domestic shade-grown wrapper, types 61-62, in the July 1951-June 1952 marketing year was 13.6 million pounds--9 percent below the previous year's. Exports, accounting for approximately one-fourth of total disappearance, held almost even in each of the last 3 marketing years. In each of the last 3 marketing years, 63 to 69 percent of total wrapper exports went to West Germany. The volume to Germany increased 1 1/2 percent from 1949-50 to 1950-51 and an additional 4 percent in 1951-52. Canada, usually the second ranking outlet, decreased her takings in each of the past 2 years as did the Netherlands. Exports to Denmark dropped from 1949-50 to 1950-51 but partially recovered in 1951-52. Belgium got considerably less in 1951-52 than in either of the previous 2 years, but Austria and Brazil increased their takings in each of the last 2 years. In June and July of 1952, a substantial quantity of wrapper was exported to East Germany. The cigar tobacco exports to Western Germany in 1952-53 may be larger than in 1951-52.

The total disappearance of most types of cigar tobacco during 1952-53 should be as large or larger than in 1951-52 since cigar production, the major outlet, seems likely to continue to show some gain.

Table 21.- Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

Type and year	(Farm-sales weight)				
	Production	Stocks	Supply	Disappearance	Average
	October 1	October 1	October 1	October 1	price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44 2/ Average 1934-38	48.9	159.9	208.8	54.4	10.4
1939	63.1	141.9	205.0	54.0	11.7
1940	64.7	151.0	215.7	58.7	12.0
1941	71.2	157.0	228.2	61.4	12.5
1942	53.8	166.8	220.6	67.0	13.2
1943	47.0	153.6	200.6	55.2	18.6
1944	54.6	145.4	200.0	57.1	19.5
1945	45.4	142.9	188.3	59.5	34.0
1946	57.3	128.8	186.1	63.9	32.8
1947	60.6	122.2	182.8	59.1	30.6
1948	68.3	123.7	192.0	60.1	25.8
1949	65.4	131.9	197.3	53.5	26.2
1950	65.7	143.8	209.5	52.2	25.2
1951 3/	63.0	157.3	220.3	4/60.0	19.6
1952 3/	46.6	4/160.0	4/206.6		
Binder types 51-55 5/ Average 1934-38	41.8	165.1	206.9	60.5	12.5
1939	63.3	116.6	179.9	45.0	16.6
1940	67.9	134.9	202.8	66.1	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.2	137.9	193.1	66.4	20.4
1943	51.0	126.7	177.7	69.2	30.3
1944	57.7	108.5	166.2	63.9	30.9
1945	63.5	102.3	165.8	62.3	47.7
1946	74.1	103.5	177.6	53.9	52.7
1947	69.4	123.7	193.1	67.3	43.4
1948	60.5	125.8	186.3	63.1	41.2
1949	61.7	123.2	184.9	49.8	36.0
1950	65.0	135.1	200.1	57.7	35.8
1951 3/	48.8	142.4	191.2	4/59.0	37.9
1952 3/	47.9	4/132.0	4/179.9		

1/ Year beginning October 1. 2/ Includes small quantity of type 45 in 1934-38 average. 3/ Subject to revision. 4/ Estimated. 5/ Includes small quantity of type 56 through 1948.

Supplies

Filler: The estimated carry-over of the continental cigar filler types is 160 million pounds--a little above a year earlier and the largest in 10 years. The October estimate of production is almost 47 million pounds--26 percent below the 1951 harvestings. The Pennsylvania Seedleaf acreage is indicated to be down about 28 percent from a year ago and production seems likely to be the smallest since 1937. The 1952 Ohio filler production is about 14 percent larger. The estimated total supply of these filler types for 1952-53 is nearly 207 million pounds--down at least 6 percent from the 1951-52 level, which is the peak since 1942-43.

Puerto Rico produced about 28 million pounds of cigar filler tobacco (type 46) in 1951-52--one-tenth more than in 1950-51. On July 1, 1952, stocks of Puerto Rican tobacco in the United States at nearly 20 million pounds and on the Island at 29 million pounds were about 9 and 17 percent respectively lower than their July 1, 1951, levels. Shipments of Puerto Rican tobacco to the United States increased from 1949 to 1950 but in 1951, dropped back to even below the 1949 level. During the first 7 months of 1952, shipments of Puerto Rican tobacco again increased and averaged 32 percent higher than in the same period of 1951.

Table 20.- Shipments of tobacco from Puerto Rico to the United States for specified periods

(Declared weight)							
Classification	Average: 1924-28	Average: 1934-38	1949	1950	1951	January-July 1951 : 1952	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Stemmed	16.1	17.4	10.1	9.9	10.2	4.0	5.7
Unstemmed	5.1	.1	.2	1/	3.5	.9	.2
Scrap	5.8	5.0	7.6	9.3	3.1	1.7	2.8
Total	27.0	22.5	17.9	19.2	16.8	6.6	8.7

1/ Less than 50,000 pounds.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Binder: The estimated carry-over of the combined binder types is about 132 million pounds--7 percent lower than a year earlier, when it was the largest in 15 years. The October estimate of production of the combined binder types is below 48 million pounds--slightly less than the 1951 harvestings and the smallest since 1936. The production declines since 1950 have occurred in each of the binder types but have been relatively sharper in the Connecticut Valley Havana Seed, type 52, and the Northern Wisconsin, type 55. This year's crops plus the estimated carry-over will provide a total supply of approximately 180 million pounds for 1952-53. This is 6 percent less than the 1951-52 supply and 10 percent below that of 1950-51--the high since 1940-41.

Wrapper: The carry-over of shade-grown wrapper on July 1, 1952, was 21.2 million pounds--6 percent above a year earlier and higher than any previous July 1 carry-over. The Georgia-Florida, type 62, stocks were about one-fifth larger but the Connecticut Valley, type 61, stocks were slightly lower than a year earlier. The October 1 production estimate for shade-grown wrapper was 14.3 million pounds--about 3 $\frac{1}{2}$ percent less than the 1951 harvestings. A 16 percent drop in the Georgia-Florida type is partly offset by a 7 percent increase in the Connecticut Valley type. The 1952-53 supply of the combined wrapper types totals 35.5 million pounds--about 2 percent above the level for each of the 2 previous years.

A marketing agreement and order proposed by growers and handlers of Georgia-Florida wrapper went into effect in early June of this year. In the referendum for growers, 74 percent of those voting favored it. The program restricts the marketings to the better quality leaves. Handlers are prohibited from the handling of (a) any of the seven top stalk leaves immediately below the seed head of any plant not topped or (b) any of the four top stalk leaves of a topped plant. Exemption certificates are issued in justifiable cases.

Table 22.- Cigar tobacco, types 61-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-52

Type and year	(Farm-sales weight)				
	: Production:	: Stocks :	: Supply :	: Disappearance :	: Average
	: : July 1 :	: : July 1 :	: : July 1/ :	: year beginning:	: price per
	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Cents
Wrapper types 61-62	:	:	:	:	:
Average 1934-38	: 8.4	: 11.8	: 20.2	: 9.3	: 78.3
1939	: 11.4	: 10.1	: 21.5	: 7.9	: 67.7
1940	: 9.5	: 13.6	: 23.1	: 10.4	: 77.6
1941	: 10.1	: 12.7	: 22.8	: 9.6	: 98.4
1942	: 9.2	: 13.2	: 22.4	: 9.4	: 132.1
1943	: 10.0	: 13.0	: 23.0	: 8.7	: 167.7
1944	: 11.3	: 14.3	: 25.6	: 10.9	: 196.1
1945	: 11.2	: 14.7	: 25.9	: 12.3	: 197.3
1946	: 12.5	: 13.6	: 26.1	: 12.7	: 234.0
1947	: 13.5	: 13.4	: 26.9	: 12.4	: 296.0
1948	: 15.1	: 14.5	: 29.6	: 13.0	: 274.0
1949	: 17.3	: 16.6	: 33.9	: 14.5	: 201.0
1950	: 15.5	: 19.4	: 34.9	: 14.9	: 203.0
1951 2/	: 14.8	: 20.0	: 34.8	: 13.6	: 193.0
1952 2/	: 14.3	: 21.2	: 35.5		

1/ Year beginning July 1. 2/ Subject to revision.

1953 Quotas and
Acreage Allotments

In accordance with the law, the Secretary of Agriculture (on October 1) proclaimed marketing quotas and acreage allotments on the 1953 crop of Pennsylvania Seedleaf, type 41, and also the combined cigar filler and binder types, 42-44 and 51-55. Growers will vote in referenda on October 29 as to whether they approve quotas for 1 year, 3 years, or are against quotas. In the referenda held last year, growers of Pennsylvania Seedleaf voted against quotas and for the other combined filler and binder types, the vote fell slightly short of the required two-thirds to place them in effect. Two years ago, Pennsylvania Seedleaf growers rejected the proclaimed quota but the required proportion of growers of the combined filler and binder types 42-44 and 51-55 were in favor and the quota and acreage allotments were in effect for these types for 1 year.

Prices

Cigar tobacco is generally marketed from the late fall through the winter. Since the marketing quotas on the 1952 crop were rejected, Government price support is not available for any of the continental filler and binder types in the 1952 crop season. Although authorized, Government price support operations were not necessary for cigar tobacco types during the war years and for some types in the immediate postwar years. As prices for the specific types declined toward support levels in the years since the war, price support operations were initiated in each producing area.

The Government loan operations on cigar tobacco are summarized in table 23 and price comparisons for recent years and the 1951 crop support levels for individual types are shown in table 24.

Table 23.- Cigar Tobacco Price Support Operations 1946-51
(Farm sales weight equivalent)

Type	Quantity placed under loan from						Approximate
	crop produced in:						Quantities
	1946	1947	1948	1949	1950	1951	Remaining under Loan Sept. 30, 1952
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
Type 41 (Pa. Seedleaf)	: ---	---	---	---	2,839	17	2,390
Types 42-44 (Ohio)	: ---	---	---	---	2,575	571	2/ 2,060
Type 46 (Puerto Rica) 3/	: 10,575	10,257	12,252	9,263	273	1,062	840
Type 51 (Conn. Valley)	: ---	---	---	113	51	1,708	1,160
Type 52 (Conn. Valley)	: ---	---	---	3,189	3,724	2,668	4,560
Type 53 (N. Y. and Pa.)	: ---	---	---	---	4	32	36
Type 54 (So. Wisc.)	: 2,244	830	2,038	228	1,433	4,804	2/ 8,050
Type 55 (No. Wisc.)	: ---	---	3,043	508	599	73	None

1/ Price support not in effect because marketing quota was disapproved by growers of this type.

2/ About three-fourths of the specified quantity of types 42-44 and over one-fourth of the specified quantity of type 54 have been placed in CCC inventories.

3/ Crop harvested in early months of following year.

Table 24.- Cigar tobacco types: Season average prices, 1947-51, and Government loan levels for 1951

Type	Season average					Loan level
	1947	1948	1949	1950	1951	1951
	Cents	Cents	Cents	Cents	Cents	Cents
	per	per	per	per	per	per
	pound	pound	pound	pound	pound	pound
Pennsylvania filler, type 41	30.5	26.3	26.4	26.4	19.0	<u>1</u> /
Ohio cigar filler, types 42-44	31.0	23.0	25.0	18.6	24.4	26.1
Puerto Rican filler, type 46	27.5	27.0	20.0	28.5	33.0	32.6
Conn. Valley Broadleaf binder, type 51	51.0	60.0	53.0	52.0	51.0	55.2
Conn. Valley Havana Seed: binder, type 52	73.1	62.3	41.9	39.8	42.6	54.2
N.Y. and Pa. Havana Seed binder, type 53	28.3	25.0	22.0	21.7	22.3	28.0
Southern Wis. binder, type 54	22.3	22.4	22.8	23.5	25.3	27.3
Northern Wis. binder, type 55	34.9	23.0	28.5	28.1	31.3	33.5
Conn. Valley shade-grown: type 61	310.0	290.0	205.0	205.0	200.0	<u>2</u> /
Ga.-Fla. shade-grown type 62	265.0	245.0	195.0	200.0	185.0	<u>2</u> /

1/ Government price support not in effect on 1951 crop.

2/ Mandatory loans not applicable.

Table 25.- Tobacco: Acreage in the United States, by types, for specified periods with percentages

Period	Cigar								
	Flue- cured	Fire- cured	Burley	Mary- land	Dark air- cured	Filler	Binder	Wrapper	United States
	11-14	21-24	31	32	35-37	41-45	51-56	61-62	
						1/ 1/	1/ 1/		
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:									
1924-28	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3
1929-33	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1939	1,269.9	114.5	424.7	40.0	48.7	48.8	41.2	10.9	1,999.7
1940	741.0	119.9	360.3	38.4	47.0	48.4	44.4	10.3	1,410.2
1941	717.6	74.5	341.9	40.3	32.6	47.6	41.0	10.8	1,306.5
1942	792.7	72.8	350.6	38.0	34.0	43.1	36.3	9.6	1,377.3
1943	842.8	68.8	399.3	35.3	30.9	37.9	33.1	9.6	1,458.0
1944	1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9
1945	1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7
1946	1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8
1947	1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6
1948	883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6
1949	935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2
1950	958.4	52.9	408.3	50.0	28.7	44.6	42.0	13.7	1,599.0
1951 2/	1,113.1	49.0	456.1	52.0	26.5	39.5	31.2	13.6	1,781.4
1952 2/	1,125.6	46.7	466.8	49.0	26.8	30.6	31.0	13.0	1,789.8
	Percentage change								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1934-38 to									
Av. 1948-52	+16.2	-60.1	+27.3	+36.2	-31.0	+3.4	+25.7	+59.6	+11.2
1951 to 1952:	+1.1	-4.7	+2.3	-5.8	+1.1	-22.5	-.6	-4.4	+.5

1/ Type 45 ended in 1939, and type 56 ended in 1948.

2/ Preliminary.

Table 26.- Tobacco: Yield per acre in the United States, by types,
for specified periods with percentages

[illegible]

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